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FRONT COVER

Farm Products Unloaded in Amsterdam Harbor

U. S. farm products in 1954 constituted over 20 percent of all Dutch agricultural imports. Transit trade or processing and reexport of agricultural raw materials account for a considerable share. (Photo courtesy of the Netherlands Information Service.)

BACK COVER

United States-Netherlands Trade, 1954

The Netherlands imported more than 2½ times as much from the United States in 1954 as it sent. And U. S. farm products figured prominently in those imports, reaching an alltime high of \$246.4 million.

NEWS NOTE

FAS to Issue "New" *Foreign Agriculture*

Beginning with the January 1956 issue, *Foreign Agriculture* will have a new format, and the articles will be keyed more closely to world agricultural developments as they affect the agricultural trade of the United States. The journal's primary aim will be to convey information that helps U.S. farm producers and traders in meeting today's difficult export problems.

The new *Foreign Agriculture* will be slightly larger in size. Readability will be improved through use of narrower columns of type. More articles but shorter newsier articles will be featured. The FAS staff in Washington and the agricultural attachés, now representing American agriculture in 68 countries, will be prime sources of information for the magazine.

Credit for photos is given as follows: p. 235, Netherlands Information Bureau; pp. 242-3, 244, Empire Cotton Growing Corporation.

FOREIGN AGRICULTURE

ALICE FRAY NELSON, EDITOR

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Netherlands Offers Natural Market for U. S. Farm Products

By KAREN FRIEDMANN
European Analysis Branch, FAS

The Netherlands is one of American agriculture's good customers. Famed for its exports of livestock products and horticultural specialties, the country is nevertheless a large importer of agricultural products. Dutch imports of U. S. farm products reached unprecedented levels in 1954 when the country took 8 percent of our total agricultural exports and ranked as our fifth largest market. Our products constituted over 20 percent of all Dutch agricultural imports. The population of little more than 10 million people consume the larger part of these imports, but transit trade or processing and reexport of agricultural raw materials account for a considerable share.

The Netherlands has a deficit in such major U. S. exports as grains, feedstuffs, fats and oils, and tobacco and must of course import all its cotton and citrus fruit. In terms of calories the Netherlands' food imports far outweigh the exports, so that its food self-sufficiency may be calculated at around 80 percent. In terms of value, food exports greatly surpass imports.

The economy of the Netherlands made an impressive recovery during the decade following World War II. A high level of trade is essential to its continued prosperity, and the country is traditionally in favor of as free a flow of trade as is compatible with other aspects of Dutch economic policies. The tariff rates—which are common to the Benelux countries—are therefore moderate, the severe quantitative restrictions of the earlier postwar years have been greatly eased in relation to both dollar and nondollar countries, and trade in agricultural products is in private hands.

The United States as a Supplier

The Netherlands has for a number of years taken 4 to 5 percent of the total U. S. farm exports, a percentage which jumped to 8 in 1954. Except for this last year, grains and grain products have generally been the largest single commodity group in this trade. Fats and oils, cotton, and tobacco are



Haying in the Wieringermeer Polder of the Netherlands. Dutch farmers raise what feed they can for their big livestock industry but need imported feed grains also.

also of great importance, and U. S. shipments of fruits and of hides and skins have been growing rapidly.

The United States is a large supplier of both **wheat** and **coarse grains** to the Netherlands; and it is practically the sole supplier of the imported wheat flour—some 75,000–85,000 short tons annually. The U. S. share in total Dutch imports of grains and grain products dropped, however, from over 45 percent in 1950-52 to 33 percent in 1953 and 25 percent in 1954. In the latter year, Argentina became the largest feed grain exporter to the Netherlands, more than trebling its 1953 quantity under a 3-year trade agreement signed in May 1954. Canada became the largest supplier of wheat in 1953 and 1954. Dutch grain imports are largely for domestic use, although fairly substantial amounts of wheat flour, corn starch, and bakery products are exported.

Liberalization of trade in most **fats and oils** and attractive U. S. prices were important factors in

the expansion of U. S. exports of such products in 1954. Linseed oil and cottonseed oil, soybeans and flaxseed, inedible tallow, and animal greases were sold in large quantities. Fish oils and lard were also important. A large proportion of these products enter into bonded warehouses upon arrival and are released later, partly for use in the Netherlands but largely for shipment to other countries. West Germany was the largest taker of fats and oils from Dutch bonded warehouses in 1954.

Cotton exports from the United States have fluctuated greatly in recent years, influenced by the slump in the textile industry after the Korean boom and the subsequent recovery, and also by strong competition especially from Mexican cotton. Raw cotton consumption by Dutch mills in the first half of the 1950's fluctuated between 250,000 and 325,000 bales annually, and the share of U. S. cotton, between three-fourths and one-fourth of the mill consumption. The Netherlands, however, also carries on an extensive transit trade in cotton, so that U. S. exports at times may surpass Dutch mill consumption by a substantial margin (re-exports of U. S. raw cotton amounted to 31,000 bales in 1951-52 and 22,000 in 1952-53). The United States has remained the largest single supplier of cotton.

The value of **tobacco** exports to the Netherlands is growing steadily and the outlook is favorable for continued large sales. The Netherlands is the third largest taker of U. S. leaf, importing nearly 30 million pounds annually in 1953-54. It is an important center for trade in tobacco from all over the world, having excellent storage and inspection facilities. The bulk of the tobacco shipped to the Netherlands from all sources enters bonded warehouses. While other types of tobacco move on to markets outside of the Netherlands to a considerable extent, almost all of the U. S. leaf is released for domestic use, partly because of the growing popularity of American-type blended cigarettes. Some of the tobacco trade that appears in U. S. export statistics with a Netherlands destination is, however, transit trade which does not even enter the bonded warehouses.

With the great increase in **fruit** takings in 1954, the Netherlands became the third largest importer of fruits also, ranking after Canada (a much larger customer) and Cuba. Oranges accounted for about one-half of the value of fruit. Competition with other orange exporting countries is keen, especially with Spain; Israel and South Africa also are sub-

stantial suppliers. Owing to a freeze in Spain in early 1954, our shipments were especially heavy in that year. Before World War II the United States was an important supplier of fresh apples and pears, but Dutch production of deciduous fruit has expanded greatly, aided by limitations on imports, and the country is now a large apple and pear exporter. Exports of dried fruits to the Netherlands have also fallen off. Among the canned fruit products, pineapple and juices are important and have increased recently.

Hides and skins were important export articles in 1954, due mainly to greatly increased takings of U. S. salted cattle hides. A large increase in total Dutch imports and a decline in Argentine shipments to the Netherlands, as well as favorable prices and improved quality of U. S. hides, are given as reasons for this development. The trend is expected to continue through 1955. Exports of **meat**, mainly frozen beef, were also quite important in 1954. Smaller quantities were exported of a variety of products, such as pulses, seeds, honey, and intestines.

Agricultural Trade Policy

The Netherlands trade policy, with regard to agricultural products, is a complex one, dictated by the sometimes conflicting demands of the country's overall trade policy, its general agricultural policies, and other internal policy considerations, plus the special demands of the Benelux Union.

Although the Netherlands in general is in favor of free trade, it is a definitely stated aim of Dutch policy to intervene on behalf of agriculture when necessary to prevent external developments from having undesirable repercussions for the Dutch producers. Thus, farm prices will not be permitted to drop below desired levels. Nor will agricultural prices be permitted to rise excessively, since that would jeopardize Dutch agricultural exports and the cost of living in the country. Imports and exports will be watched to prevent extreme price fluctuations from developing.

To insure a balance of these diverse interests, the Netherlands has for more than two decades relied primarily on a series of marketing boards, one for each major commodity group, operated by the industry concerned under the auspices of the Ministry of Agriculture. Though the names and composition of the boards and the scope of their activities have undergone many changes during this period, their basic responsibility remains the same:

U. S. exports of agricultural products to the Netherlands

(In millions of dollars)

<i>Products</i>	<i>1950</i>	<i>1951</i>	<i>1952</i>	<i>1953</i>	<i>1954</i>
Grains and preparations	51.0	63.0	64.7	40.5	43.1
Cotton and linters	38.0	44.0	29.3	12.9	21.8
Fats, oils, and oilseeds	22.0	27.0	34.1	39.1	110.7
Tobacco, unmanufactured	11.0	11.0	16.4	16.6	17.0
Fruits, nuts, and vegetables	5.0	6.0	8.0	10.1	19.2
Other agricultural products	7.0	7.0	6.8	14.7	34.6
Total	134.0	158.0	159.3	133.9	246.4

to intervene, if and when necessary, in any manner deemed desirable to influence production, marketing, or foreign trade, when the price of the products under the board's control falls below or rises above desired levels. Import fees, export fees or subsidies, purchasing and stocking by associated agencies (not by the boards themselves), and quantitative restrictions on imports or exports are among the means which the boards may utilize. Certain decisions by the boards, however, are subject to approval by the Ministry of Agriculture.

In the interest of a smooth flow and high level of trade, the trend in recent years has been toward as little intervention and as much free play of market forces as possible. However, some intervention is always practiced in the agricultural trade sector, and the possibility always exists for further intervention.

In order to make the governmentally fixed **wheat** price effective, a certain incorporation of domestic wheat in the flour milled is prescribed, and imports are adjusted accordingly by the Marketing Board for Grains. Only in September 1955 was the import of wheat turned over to private trade, the last remaining of the government-traded agricultural commodities. In view of the existing milling regulation and the desire to channel wheat trade in accordance with wheat agreement and bilateral trade agreements stipulations, there is little prospect of liberalization of this trade. In **coarse grains**, the price goals are approached by means of flexible import fees. **Sugar** can be imported only by the sugar factories under import license from the Trade Board for Sugar. Most fresh **fruits** and **vegetables**, as well as potatoes for food, are also subject to licenses. The freely granted licenses for fruit permitted the great expansion in U. S. fruit imports in 1954, but the licensing requirement permits

potential quantitative restrictions. Nuts can be freely imported. **Fats, oils** and **oilseeds** can be freely imported, except butter, margarine, lard.

Among the livestock products, **dairy products** are subject to extremely complex regulations. The aim is to maintain a guaranteed minimum milk price to the producer, based on a calculated cost price; a support price for butter, cheese, and skimmed milk powder; and a fixed retail price for liquid milk for human consumption. The regulatory powers in the dairy field are centered in the Marketing Board for Dairy Products. But if dairy products are offered for sale by the producer at the support price (which is a little less than cost price) the Government Food Import Bureau, acting for the Board, is the purchasing agency. If the Bureau has to dispose of stocks thus acquired at a loss—for instance by exporting at a price below the support price—the loss is covered by the Dairy Fund, which derives its income from a variety of levies on producers and importers and from government subsidies when necessary. Apart from this special case, the Marketing Board for Dairy Products controls imports and exports of milk products, butter, and cheese. It issues import or export licenses for them and is authorized to attach conditions to such licenses or impose minimum prices.

Regulations concerning **meat** are far less stringent. The price of most livestock and meat is free of control, but the Marketing Board for Livestock and Meat keeps a certain watch on prices. The meat market is aided by a guaranteed price for bacon pigs and bacon exports under government auspices. Import licenses are required for fresh beef and pork, as well as for cattle and pigs. Other meat products can presumably be freely imported. By these and other means the Marketing

(Continued on page 251)

Precooling of Citrus Important to Exports

How to handle and transport U. S. citrus fruits to assure sound delivery into the European markets has again become a problem for American citrus growers.

In the years prior to 1930 the spoilage of export shipments to Europe was so excessive that the citrus industry and the U. S. Department of Agriculture conducted a series of tests which demonstrated the need for adequate refrigeration aboard ships and resulted in the establishment of new standards and even the remodeling of the ships. Thus the problem was met—at least for some 25 years—until the introduction in 1953 of the fiberboard carton into the export trade. With the new container came a return of the same situation: a high percentage of decay in transit placed U. S. citrus fruit in a poor position to compete with the attractive fruit from the nearby Mediterranean basin.

It would seem obvious that the answer would be simply a return to the standard citrus crate, with its better ventilation. However, the fiberboard carton has much to recommend it. What it lacks in ventilation and conductivity is more than made up for in economy. The fiberboard carton costs less and is easier to pack, handle, and stow. And it is favored by packers, stevedores, ship owners, and many European importers. So rather than abandon something with such apparent advantages, the citrus industry in both Florida and California appealed to the U. S. Department of Agriculture for a new series of shipping tests to determine the refrigeration in transit of carton-packed citrus, to relate this to the condition of the fruit on arrival, and to suggest remedies.

Test Procedure

These new tests covered a period of 10 months, from November 1954 to September 1955, and were actually two separate tests, the first, from November to May, involving Florida fruit, and the second, from May to September, California fruit. The procedure, which consisted of checking the condition of the fruit from the packinghouse to its destination in Rotterdam, was practically the same in both

tests, even though the types of fruit, the season, and the transport facilities varied. Briefly, the procedure was as follows:

Test box-lots of citrus fruit—mainly oranges but also some grapefruit and lemons—were selected from the regular commercial shipments at the packinghouses. These were marked, and in them were inserted thermographs which would register the variations in box temperature en route. They were then included with the remainder of the shipment and transported to shipside by various means. Precooling facilities, whether iced freight cars or shipside precooling plants, were used wherever available. During the loading period inspection was made, both of the test packages and the regular commercial lots, to determine the amount of decay that had developed since packing. Pulp temperatures were also taken to find out how effective the precooling operations had been and how much heat the refrigeration facilities aboard ship had to cope with.

No two ships were the same with regard to refrigeration. On some it was above average, on others below average, and one general cargo ship had refrigeration in only some of the holds. In loading, the test packages were placed in different locations on the decks; and on those ships where the test packages were accompanied by a Department of Agriculture representative, electrical resistance thermometers were inserted so that pulp temperatures could be tested daily throughout the voyage. Records were also kept of weather conditions and ship refrigeration temperatures. All test lots were inspected upon arrival at Rotterdam—the Department of Agriculture kept men stationed there all during the test period—and in some cases test lots were subjected to still another inspection after storage in Rotterdam.

Results and Recommendations

Only the most liberal interpretation of the findings can be made at this time. But, in general, these tests focused attention on an unsatisfactory handling job from tree to ship rather than on inade-

quacies in shipboard refrigeration. Long delays in transport to ship, further delays in handling and loading, insufficient precooling—these resulted in some of the fruit being loaded not in prime condition and at higher temperatures than are recommended.

Ship refrigeration is not adequate for rapid cooling of warm, carton-packed fruit, nor was it so designed. The Florida test with precooled fruit revealed that the average of all commodity temperatures was 44° F. at sailing and 39° at destination, a reduction of only 5° in 12 days. In the California test, where the voyage takes about a month, two shipments of non-precooled fruit loaded at 66° required 19.5 days for the temperature to lower to 39°. Because these two shipments were made early in the season with above-average-quality fruit, they arrived at their destination with a negligible amount of decay, but shipments of late-season fruit did not hold up so well, one averaging as much as 37 percent decay. In both the California and Florida tests the middle packages in the load registered higher temperatures than those on the top and bottom; moreover, the range was shown to be greater in carton-packed fruit than in crated fruit.

Since even the best equipped ships do not have sufficient refrigeration capacities to cool full cargoes of warm fruit—and the lesser ships are definitely not up to it—some precooling must be done to offset this situation. This precooling period should be extended until a fairly uniform temperature is obtained through all the packages to be loaded, and naturally this period will be longer for fruit packed in cartons than for fruit in the standard crates. For oranges, including Temple oranges, 32° F. to 38° is desirable; for grapefruit 32° or 50° (but not temperatures in between) is preferable; and for lemons 50° is adequate.

With regard to grapefruit, the tests revealed that a 50° F. transit temperature is preferable to a lower one. While there is less decay at 32°, the fruit deteriorates faster afterward when brought to room temperature than when kept at 50°. On the whole, lemons presented no problem. All the shipments transported well, with usually less than 1 percent decay.

Other conclusions were drawn from these tests. Personnel conducting the tests agreed that a more uniform grade of fruit—particularly oranges—is necessary if American fruit is to compete in the European markets. This applies especially to

Florida fruit, which arrives in Europe simultaneously with the fine fruit from the Mediterranean area. It is even suggested that the present U. S. Grade No. 1 be tightened—probably 25 to 30 percent—by reducing the permissible amount of scars and blemishes, especially those caused by rust mite and melanose; and that this new grade should be given another designation, such as U. S. Export Grade No. 1.

There is definitely room for improvement in the construction and treatment of cartons. Those used in the Florida test were the ventilated telescope type, four-fifths bushel capacity, with only the flap and ends treated with the decay preventive, biphenyl. This treatment did not seem to be sufficient; it is recommended therefore that the ventilated telescope-type carton be strongly constructed and processed to withstand humidity, and that a more even application of biphenyl be applied to check decay. As for the treatment of the fruit itself, the Dovicide-A + Hexamine treatment satisfactorily reduced decay in oranges, and an experimental fungicide was even more effective.

In conclusion, it should be repeated that much is expected of U. S. citrus fruit if, after considerable hauling about and 2 weeks to a month at sea, it is to appear attractive to the European housewife. Whether the final answer is a higher quality of fruit, shipside precooling, better cartons or better ships, it all adds up to the one thing, as these tests indicate: U. S. citrus exports must have preferred treatment all the way from tree to European market if they are to compete successfully.

New FAS Release

Olive Industry in Lower California, Mexico, by J. Henry Burke, FAS Marketing Specialist, concerns a comparatively new olive industry—one that has grown up in the past quarter century. It is an impressive experiment in agriculture, but so far its commercial importance is not yet assured.

The study is devoted largely to the problems that are inherent in the newness of the industry, but gives much information on the plantings and on the production and marketing of the brined olives and the olive oil.

The 17-page publication, Foreign Agriculture Report No. 85, is available upon request from Foreign Agricultural Service, U. S. Department of Agriculture, Washington, D. C.

Trading Farm Products Through Barter

*Nearly \$400 million of U. S. farm products exchanged
for needed foreign materials under CCC program.*

Barter, mankind's simplest and oldest means of exchanging goods and services, has come into wide international use since World War II as a way of helping get around complex trade and monetary problems.

In agricultural trade, barter has been accented not only because of these problems but because of others peculiar to the international movement of agricultural products. Since such barter trade is generally carried on through government-to-government agreements, which involve government trading to varying degrees, the United States refrained from barter for some years, in the interest of promoting free trade. In 1950, however, it began using barter in exporting agricultural products, but in so doing it took a new approach—one that in no way affects its traditional position regarding free trade: it uses private U. S. traders working through commercial trade channels.

On March 10, 1950, the Commodity Credit Corporation of the United States Department of Agriculture signed its first barter contract, and during that fiscal year made barter agreements totaling almost \$8 million. Since then, barter has played an increasingly important role in the drive to increase export sales of CCC-owned agricultural commodities. In the fiscal year ending June 30, 1955, CCC-negotiated barter contracts totaled \$282 million and had reached a grand total for the 6 years of nearly \$400 million.

In the barter program, CCC-owned agricultural commodities are exchanged on an equivalent value basis for either foreign-produced strategic materials or other materials, goods, or equipment. Such exchanges are effected through commercial trade channels by private U. S. firms in fulfillment of a barter contract between the CCC and the firm.

The Congress has passed several laws authorizing barter of U. S. agricultural products. The general authority for barter came in 1948, with the CCC

Charter Act, Public Law 806, 80th Congress. An amendment followed in 1949 authorizing CCC to barter Corporation-owned commodities for foreign-produced strategic materials, and to the extent practicable such materials were to be transferred to the National Stockpile on a reimbursable basis. The Agricultural Act of 1949 authorized CCC to barter agricultural commodities in danger of deterioration or spoilage.

In 1954, earlier barter authorizations were strengthened with passage of Title III of the Agricultural Trade Development and Assistance Act of 1954, P. L. 480, 83rd Congress. This act, in effect, was a legislative mandate by the Congress to expand barter activities. It directed the Secretary of Agriculture to use every practicable means to export CCC-owned commodities through barter. It directed all government agencies to cooperate in the barter program, and specifically established these three categories for barter procurement:

“(a) strategic materials entailing less risk of loss through deterioration or substantially less storage charges, or (b) materials, goods, or equipment required in connection with foreign economic and military aid and assistance programs, or (c) materials or equipment required in substantial quantities for offshore construction programs.”

The Department of Agriculture, through the Barter and Stockpiling Division of CSS, administers this barter program in accordance with applicable legislation and policies laid down by the Secretary of Agriculture and the CCC Board of Directors. Agricultural commodities exported under the program may go only to friendly countries. Commodities available for barter and the price basis are indicated in CCC Monthly Sales Lists.

Barter contracts negotiated since the program started, by fiscal year, are: 1950, \$7.8 million; 1951, \$8.5 million; 1952, \$42.8 million; 1953, \$14.1 million; 1954, \$34.4 million; and 1955, \$281.8 million.

Prior to 1955, procurement of strategic materials accounted for about two-thirds of barter activity; nonstrategic materials, goods, and equipment, the remaining one-third. But in 1955 the procurement of strategic materials increased to 92 percent.

In most instances, materials delivered under barter contracts are turned over to other government agencies, CCC being reimbursed in full. Where CCC stores materials for an indefinite period, there remains the practical advantage of storage charges and deterioration being considerably less than for the agricultural commodities that were exchanged.

Agricultural exports under barter have included most commodities held by the CCC in appreciable quantity: wheat, corn, grain sorghums, barley, flaxseed, oats, rye, tobacco, cottonseed oil, cotton, peanuts, dried skim milk, and rice. Wheat consistently has been the leading barter commodity, accounting for 52 percent of all such exports, on a value basis, since the program began. In fiscal year 1955, wheat accounted for 78 percent of all barter exports, and 17 percent of total U. S. wheat exports, quantity basis.

Bartered CCC commodities, in fiscal year 1955, went to 29 countries in Africa, Asia, Europe, North America, and South America.

While barter is now recognized as an established export program, its role in the future is a question of many facets. Important considerations include legislation, policy, national stockpile needs, and the degree that various U. S. Government agencies

use barter to procure materials, goods, and equipment. Against such uncertainties, the record shows that barter is feasible, that it involves a minimum of government participation in trade, and that it is very effective in securing the export movement of CCC-owned agricultural commodities in the face of stiffening competition in the world market.

Value of agricultural commodity exports by country of destination, F.Y. 1955¹

Country	Commodity export value	Country	Commodity export value
Austria	\$937,000	Mexico	\$91,000
Belgium	8,764,000	Netherlands ² ..	17,234,000
Colombia	643,000	Norway	6,585,000
Cyprus	6,000	Peru	916,000
Denmark	412,000	Portugal	187,000
Egypt	222,000	Scotland	101,000
England	9,322,000	Spain	789,000
Formosa	4,612,000	Sweden	432,000
France	482,000	Switzerland ..	212,000
West Germany	15,501,000	Trieste	24,000
Greece	10,983,000	Turkey	5,815,000
India	617,000	Venezuela	24,000
Ireland	2,177,000	Yugoslavia ..	1,408,000
Israel	6,848,000	Others ³	4,853,000
Japan	23,096,000		
Korea	1,301,000	Total	124,604,000

¹ Barter shipments in fiscal year 1955 against fiscal year 1955 contracts. In the barter program, a contractor is not required to export agricultural commodities to the country of origin of materials. Agricultural commodities may be exported to any friendly country.

² Figure may include some transshipment to other friendly countries.

³ Includes shipments for which documents listing countries of destination have not been processed.

Agricultural commodities delivered to contractors for export under barter, F.Y. 1950-55¹

(In thousands)

Commodity	Unit	1949-50	1950-51	1951-52	1952-53	1953-54 ²	1954-55 ³
Wheat	Bus.	....	2,619	16,924	3,938	9,964	46,261
Corn	"	162	214	1,568	2,098	5,346	4,382
Grain sorghums	Cwt.	....	419	376	....	195	4,727
Barley	Bus.	....	....	....	....	....	5,250
Flaxseed .....	"	....	....	....	....	738	257
Oats .....	"	....	....	....	....	....	2,834
Rye .....	"	....	....	....	....	....	217
Tobacco	Lbs.	....	....	....	1,875	1,147	....
Cottonseed oil .....	"	....	....	....	....	4,630	19,687
Cotton	"	25,164	3,000	....	....	....	656
Peanuts .....	"	....	....	....	....	360	....
Milk, dried skim .....	"	....	....	....	....	....	1,000
Rice	Bags	....	....	....	....	....	5
Total value	Dol.	7,782	8,524	42,816	14,113	34,399	124,604

¹ Operating records, subject to adjustment upon closing of contracts.

² Contract basis fiscal 1954; some deliveries actually in fiscal 1955.

³ Deliveries fiscal 1955 against 1955 contracts. Total contracts fiscal 1955 \$282 million leaves \$157 million for delivery after fiscal 1955.

New competition for U. S. cotton is springing up in many areas of the world. One of these is Tanganyika Territory, in British East Africa, where government-sponsored research and extension work have brought a striking boost in production.

By J. M. MUNRO

*Empire Cotton Growing Corporation
Cotton Experiment Station, Ukiriguru, Tanganyika*

Production Increases

Between 1945 and 1953 the cotton crop in Tanganyika averaged 50,200 bales of 400 pounds lint; but the 1954 crop was more than double that figure, and the trend is still upward. In the main cotton growing area, the Lake Province, yield per acre has increased steadily since 1939, and for the last 3 seasons has been about 170 pounds of lint per acre—nearly twice the prewar average; and, since the end of World War II, cotton for export has averaged rather over 40,000 bales. There is every prospect that output in this Province alone will soon average over 100,000 bales; in 1954, it already stood at 91,000 bales, and the current estimate for 1955 is 105,000.

Several factors have aided this increase in cotton production. Attractive prices to the African grower—8½ U. S. cents per pound for clean seed (unginned) cotton—have led to substantial increases in the planted acreage in the past few years. New seed stocks have given an estimated 20-25 percent increase in yield. Extension work is beginning to encourage such improved farm methods as earlier planting, manuring, cleaner cultivation, and conservation of soil and water by means of tie-ridges. Seed treatment with copper bactericides has reduced losses from bacterial blight. Development of the Geita district, west of Mwanza in the Lake Province, has brought into cultivation new and more fertile land. Improved water supplies have encouraged settlement there; so has the pushing back of the tsetse fly as the bush was cleared.

Problems of Cotton Growing

Tanganyika's climate is generally favorable to cotton growing. In the Lake Province, on the central plateau around the southern shores of Lake Victoria (3,700 feet elevation), average yearly rainfall is about 30 inches, practically all between October and May. Cotton is planted in December and January and the stalks are removed at the end of August. Smaller quantities of cotton are grown



Water and soil are conserved in the cotton fields of Tanganyika in this unusual way: By catching and holding the variable rain

Research In Output in

in the Eastern Province at lower altitudes. Here the main rains fall both later and more regularly, and planting takes place in February and March.

Cotton production in Tanganyika is limited by pests and diseases rather than by climate. Most important and destructive are the cotton stainers (*Dysdercus* spp. and *Calidea* spp.), which rule out most of the south and west of the country. In the Lake Province, bacterial blight disease (*Xanthomonas malvacearum*) and the jassid (*Empoasca* sp.), a small green leafhopper, have presented serious problems; in the Eastern Province, the American bollworm (*Heliothis armigera*) checks expansion.

The Agricultural Department of Tanganyika



tiny reservoirs, called tie-ridges. Extension services, bringing such improved practices into use, have aided cotton expansion.

Leases Cotton Tanganyika

has two experimental stations working on these and other cotton problems: Ukiriguru, near Mwanza in the Lake Province, and Ilonga, near Kilosa in the Eastern Province. The Tanganyika Government finances these stations with the assistance of a grant from the Lint and Seed Marketing Board, a statutory body that deals with the marketing of cotton lint and cottonseed and with the welfare of the cotton industry as a whole. Technical staff for the stations is provided by the Empire Cotton Growing Corporation, which works in close co-operation with the Agricultural Department.

The attack on each cotton problem has to be two-pronged: research, to find a solution; and extension, to convince the grower that the suggested

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Research in Lake Province

Jassid control. Seed stocks, developed at Ukiriguru and first issued in 1948, have been sufficiently resistant to render the jassid of minor importance.

Plant breeding. In the testing of new strains, observation and field trials have shown up higher yielding lines. It has also been possible to raise the ginning outturn (lint percentage) by $1\frac{1}{2}$ percent, for a commercial average of 32 percent. And jassid resistance, strains of intrinsically higher yield, and higher ginning percentage have combined to show a steady improvement in yield of lint per acre.

In the early stages, adequate jassid resistance was difficult to combine with good-quality lint. Lint quality must be continually checked; this is done by the British Cotton Industry Research Association at the Shirley Institute in Manchester. The latest variety, UK.51, with a staple length of about $1\frac{1}{16}$ inches (American staple), has a slightly higher yarn strength than the original "Local." An attempt is being made to improve yarn-appearance factors, and strains showing higher yields are now being tested. UK.55, to be released this year, should show both a further increase in yield and an improvement in yarn appearance.

The number of strains that the Shirley Institute can test at one time is limited, and it takes some months to get a report from England. Recent work in Uganda has shown that certain tests—for example, counts of damaged seeds—can be carried out locally by unskilled workers. One type of nep in the yarn is caused by seed-coat fragments that come away with the lint during ginning. Because this tendency appears to be largely genetically

New competition for U. S. cotton is springing up in many areas of the world. One of these is Tanganyika Territory, in British East Africa, where government-sponsored research and extension work have brought a striking boost in production.

By J. M. MUNRO

*Empire Cotton Growing Corporation
Cotton Experiment Station, Ukiriguru, Tanganyika*

Production Increases

Between 1945 and 1953 the cotton crop in Tanganyika averaged 50,200 bales of 400 pounds lint; but the 1954 crop was more than double that figure, and the trend is still upward. In the main cotton growing area, the Lake Province, yield per acre has increased steadily since 1939, and for the last 3 seasons has been about 170 pounds of lint per acre—nearly twice the prewar average; and, since the end of World War II, cotton for export has averaged rather over 40,000 bales. There is every prospect that output in this Province alone will soon average over 100,000 bales; in 1954, it already stood at 91,000 bales, and the current estimate for 1955 is 105,000.

Several factors have aided this increase in cotton production. Attractive prices to the African grower—8½ U. S. cents per pound for clean seed (unginned) cotton—have led to substantial increases in the planted acreage in the past few years. New seed stocks have given an estimated 20-25 percent increase in yield. Extension work is beginning to encourage such improved farm methods as earlier planting, manuring, cleaner cultivation, and conservation of soil and water by means of tie-ridges. Seed treatment with copper bactericides has reduced losses from bacterial blight. Development of the Geita district, west of Mwanza in the Lake Province, has brought into cultivation new and more fertile land. Improved water supplies have encouraged settlement there; so has the pushing back of the tsetse fly as the bush was cleared.

Problems of Cotton Growing

Tanganyika's climate is generally favorable to cotton growing. In the Lake Province, on the central plateau around the southern shores of Lake Victoria (3,700 feet elevation), average yearly rainfall is about 30 inches, practically all between October and May. Cotton is planted in December and January and the stalks are removed at the end of August. Smaller quantities of cotton are grown



Water and soil are conserved in the cotton fields of Tanganyika by tiny reservoirs, called tie-ridges. Extension services, bringing in this unusual way: By catching and holding the variable rainfall, such improved practices into use, have aided cotton expansion.

Research Increases Cotton Output in Tanganyika

in the Eastern Province at lower altitudes. Here the main rains fall both later and more regularly, and planting takes place in February and March.

Cotton production in Tanganyika is limited by pests and diseases rather than by climate. Most important and destructive are the cotton stainers (*Dysdercus* spp. and *Calidea* spp.), which rule out most of the south and west of the country. In the Lake Province, bacterial blight disease (*Xanthomonas malvacearum*) and the jassid (*Empoasca* sp.), a small green leafhopper, have presented serious problems; in the Eastern Province, the American bollworm (*Heliothis armigera*) checks expansion.

The Agricultural Department of Tanganyika

has two experimental stations working on these and other cotton problems: Ukiriguru, near Mwanza in the Lake Province, and Ilonga, near Kilosa in the Eastern Province. The Tanganyika Government finances these stations with the assistance of a grant from the Lint and Seed Marketing Board, a statutory body that deals with the marketing of cotton lint and cottonseed and with the welfare of the cotton industry as a whole. Technical staff for the stations is provided by the Empire Cotton Growing Corporation, which works in close co-operation with the Agricultural Department.

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Bearers are commonly used to move cotton from field to buying station in Tanganyika.

controlled, counts of damaged seeds are now being used to eliminate unsatisfactory strains at an early stage in selection.

Another lint test that can be done locally by a simple air-flow unit gives a rapid check on maturity and standard fiber weight for very small samples. Such a unit is being set up in Uganda at the Empire Cotton Growing Corporation Central Research Station.

Bacterial blight control. Bacterial blight can cause serious damage to the cotton crop, especially in a wet season. Since 1951, when the Albar series of resistant strains became available, scientists have been carrying on a crossing program to introduce resistance into the local strains. A satisfactory variety should be ready for release in about 3 years.

Meanwhile, some control of the disease is being maintained. Since much of the carryover of the disease comes from seed-borne bacteria, all seed for planting is dusted with a copper bactericide, which gives about 95 percent control of infection from this source. To reduce infection from leaf trash in the soil, more regular rotation of crops is being encouraged.

Manure demonstrations. One of the outstanding results of the agronomic work at Ukiriguru has been the demonstration, under tropical conditions, of beneficial effects lasting 10 seasons from a single dressing of cattle manure. Various indications

point to the phosphate content rather than the organic matter as the agent of the benefit. In the granitic red sandy soils that produce most of Tanganyika's cotton, phosphate deficiency is probably the most important factor limiting production. Therefore, emphasis is being laid on the importance of utilizing the ample local supplies of cattle manure. Nitrogenous fertilizers are more uncertain in their effect, especially where phosphate is deficient; and the benefit lasts for one season only.

Research in Eastern Province

American bollworm. Rainfall pattern in the Eastern Province—more regular than in the Lake Province—helps produce cotton with a higher lint quality, but it also favors the growth of the American bollworm. Maize, on which the bollworm feeds, is planted after the early, or short, rains; cotton, not until February or March, after the main rains. Thus the bollworm moth population bred up on the maize moves into the cotton crop in May and June, when flowering is at its peak. And the larvae can reduce the crop to almost nothing.

The Ilonga experimental station has therefore concentrated on controlling this pest, and has worked out a successful routine. A "cotton dust" containing 10 percent DDT and 3 percent BHC is applied every 7 days during the peak flowering season, at the rate of 16 pounds per acre. Timing and regular applications are all-important. This method is now being tried out on small African holdings without expert supervision. For if control of the bollworm can be achieved under these conditions, cotton growing can be greatly extended in eastern Tanganyika.

Cotton production in Tanganyika

Province	In bales of 400 pounds net		In bales of 500 pounds gross	
	Average 1945-53	1954 ¹	Average 1945-53	1954 ¹
Lake	41,594	91,000	34,661	75,830
Eastern	7,172	8,750	5,977	7,290
Northern ...	1,197	2,000	997	1,670
Tanga		560		470
Southern ...	272	268	227	222
Total ..	50,235	102,578	41,862	85,482

Source: Tanganyika Agricultural Department.

¹ Estimated.

Chaos Ahead, Says IFAP, Unless Governments Cooperate

By ROY BATTLES

Assistant to the Master of the National Grange and Grange representative at the recent Rome meeting of IFAP.

Governments are getting more and more into the business of foreign trade in farm products, and economic chaos is in prospect for the world unless there is more cooperation among governments in both the political and economic spheres.

This belief was voiced by the International Federation of Agricultural Producers (IFAP), which recently held its general conference in Rome. IFAP is an organization made up of agricultural associations that represent 25 million farm families in 27 countries; its U. S. member associations are the American Farm Bureau Federation, the National Council of Farmer Cooperatives, the National Grange, and the Farmers Union. IFAP proposed, as a basic solution to the present unbalanced situation, a progressive reduction in the barriers of world trade. Only through mutually advantageous trade can a higher standard of living be attained, the Federation concluded.

Export monopolies, export subsidies, cut-rate export prices, equalization funds—these are some of the means that governments use to intervene in the business of foreign trade in farm products. This intervention by individual governments to get larger shares of a total market that is expanding slowly, if at all, cannot fail to lead to grave international friction, said the IFAP.

It seems fair to say that today there is no longer a free world market for most of the major commodities. Prices are still influenced—as they must always be—by the law of supply and demand. But the intervention of government makes a tremendous difference in the way the law operates, and because of this situation devising and using effective means of international cooperation in such matters as trade restriction and commodity agreements are highly important. And there is still another reason why this cooperation is so urgent: the different kinds of export subsidies are causing some worry in the world market.

IFAP Proposals

IFAP offers a road map for the world to follow. To avoid economic chaos, it proposes—

First, that comparative efficiency in production and marketing should be the primary determinant of production patterns everywhere;

Second, that the best way this efficiency can be shared to the mutual advantage of all parties concerned is through freer trade;

Third, that, in the interim, a working party (already established by the General Agreement on Tariffs and Trade) should be given primary responsibility to establish acceptable general principles on the basis of which international commodity consultations and negotiations should be carried out; and

Fourth, that when prospects for agreements appear favorable, the Food and Agriculture Organization should recommend that the United Nations call a commodity conference. If and when negotiations are successful, then a commodity council should be set up to operate the agreement.

We in IFAP feel that commodity agreements offer one means for intergovernmental cooperation in stabilizing prices in the international trade of farm products.

But no machinery—however good in theory—can be effective in the absence of the active good will and cooperation of the governments concerned, on both the export and import side, with the problems of particular commodities. Indifference on the part of only one or two of the governments could render ineffective even the best consultative machinery.

Surpluses—A World Problem

Farmers in the world today are able to produce more food and fiber than the world can buy. And they are building up a surplus of farm products—but an economic surplus, not a nutritional surplus.

(Continued on page 251)

U. S.—Philippine Trade Agreement

A revised trade agreement between the Republic of the Philippines and the United States will become effective on January 1, 1956. It provides for revision of every article of the 1946 Trade Agreement, which has been in effect since the Philippines gained independence. Certain of the changes agreed upon are of interest to American agriculture.

U. S. agricultural exports to the Philippine Republic have averaged \$56 million over the past 3 years. This is 18 percent of our total exports to the Philippines, and less than 2 percent of our agricultural exports to all countries. The newly independent Philippine Republic ranks only 14th among the foreign buyers of American farm products. Nevertheless, for certain products it is an important market. For example, it ranks as the largest foreign buyer of our evaporated milk, vies with Cuba for first position as a buyer of U. S. wheat flour, and ranks 6th among the foreign markets for leaf tobacco. And it takes 70 percent of the evaporated milk, 10 percent of the flour, and nearly 5 percent of the leaf tobacco exported by the United States. These three items constitute about 60 percent of U. S. total agricultural exports to the Philippine Republic.

For certain other items also the Republic is a major market, but these do not loom as large in trade. Included in this group are canned beef and veal, canned sausages and similar meat products, malted milk products, and fresh apples and grapes.

More than 80 percent of the U. S. imports from the Philippine Republic consist of agricultural commodities. Most important of these are sugar and coconut products, with abacá and pineapple products making up most of the remainder.

The 1946 Trade Agreement provided that, with certain exceptions, duty-free treatment should be accorded to Philippine articles entering the United States and to U. S. articles entering the Philippine Republic until July 4, 1954. From July 4 through December 31, 1954, articles entering one country from the other were to be subject to levies at 5 percent of the lowest duty rates applied to other countries. Thereafter, the rates were to be increased 5 percent each calendar year, reaching 100

percent in 20 years. U. S. imports of sugar, cordage, and rice were to be subject not only to the above provisions, but also to absolute quotas specified in the agreement.

By mutual consent the duty-free period was extended 18 months to permit time for renegotiation of the agreement. Under the revised agreement, U. S. duties on imports from the Philippine Republic will be increased less rapidly than was originally planned, whereas the Philippine tariffs on imports from the United States will be increased more rapidly. In each case, duties will reach the level of 100 percent of the full rate in 1974—1 year later than provided in the 1946 agreement.

With gradual elimination of the tariff preference, agricultural exports of the United States will be faced with increasing competition from those of other countries in the Philippine market. The pressures for adjustment will be somewhat greater under the provisions of the revised agreement, and more rapid adjustments will be required. For example, U. S. exports to the Philippine Republic in 1965 will be subject to 90 percent of the full duty rather than 60 percent as originally scheduled. U. S. goods will still have preference—in fact, this preference will be retained for a year longer than originally planned—but to a lesser degree.

The effect of the gradual application of Philippine duties to imports from the United States cannot be forecast with precision. For items bearing low rates of duty, and thus affording only slight preference to the United States in the past, the trade picture probably will not be greatly changed. But to adjust from duty-free preference to a high rate of duty will be far more difficult. On two of our major exports to the Philippine Republic—evaporated milk and wheat flour—the present tariff provides relatively low rates. But on tobacco the rates are high. However, the whole Philippine tariff schedule is now in the process of revision. Until this matter is finally settled, it will be impossible to determine the nature of adjustments that will be required.

The revised agreement provides for removing the quota on U. S. imports of rice from the Philippine Republic because the Republic has become, and is likely to be for some years, an importer rather than an exporter of rice. It also states that the quota on sugar shall be without prejudice to any increases which the U. S. Congress might allocate to the Republic in the future.

Under the 1946 agreement, absolute quotas were also specified on U. S. imports from the Philippine Republic of cigars, scrap and filler tobacco, coconut oil, and buttons of pearl or shell. But these commodities were not to be subject to the increasing rates of duty as provided for all other imports. Rather, a steadily increasing portion of each quota was to be dutiable at the full rate of duty, while the remaining portion, declining to zero by 1974, was to enter duty free. The revised agreement provides for a less rapid reduction in the amounts of these commodities that may be entered duty free. It also provides that there shall be no limit on the total amounts that may be imported from the Philippine Republic, but all above the duty-free quota is to be subject to the full duty.

The revised agreement provides that the present 17 percent foreign exchange tax is to be replaced by a special import tax. This import tax will be no higher than 17 percent, and it will be progressively reduced by 10 percent of the original level each year, thus being reduced to zero by 1966. It will apply only to merchandise imports, whereas the present foreign exchange tax applies to invisibles as well. Several agricultural commodities, including canned milk, canned beef, and malt, have been exempted from the foreign exchange tax. It is not yet clear whether these or any other commodities may be exempted from the new tax. If these items become subject to the tax, some increase in retail prices may be expected with the consequent tendency toward narrowing the markets.

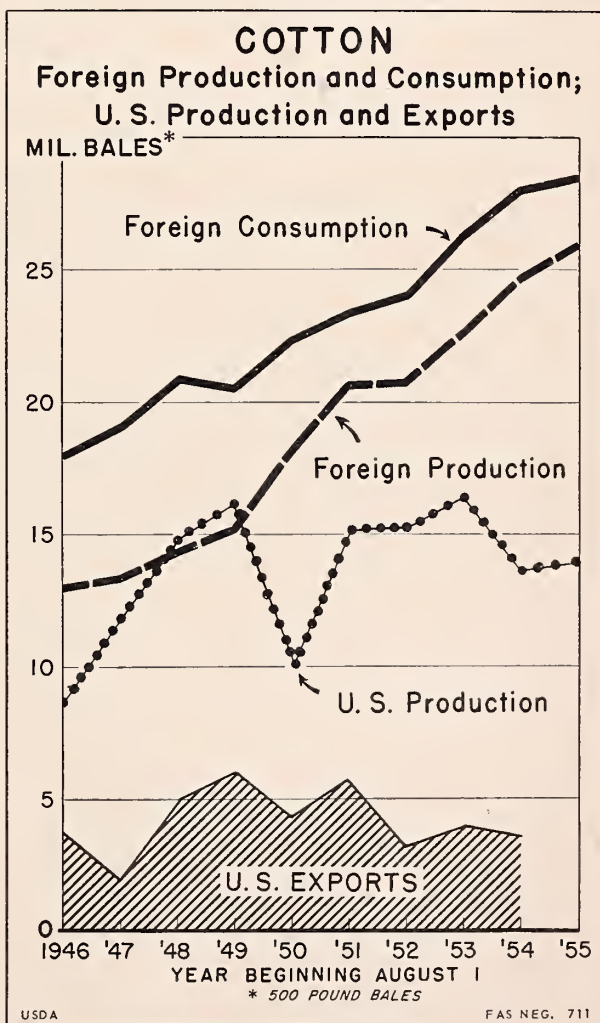
The new agreement makes reciprocal the authority originally given only to the United States to impose quantitative import restrictions for the protection of domestic industry. The United States has made no use of this power. The Philippine Republic, on the other hand, has imposed numerous such restrictions, since this power, while not given, was not denied them in the earlier agreement. Limitations on the extent of such restrictions are broadly defined, but it is conceivable that in time certain commodities could be almost completely embargoed. It is further provided that quotas may be imposed for balance of payments reasons. But before quantitative import restrictions may be imposed for any reason, consultation with the other country is required.

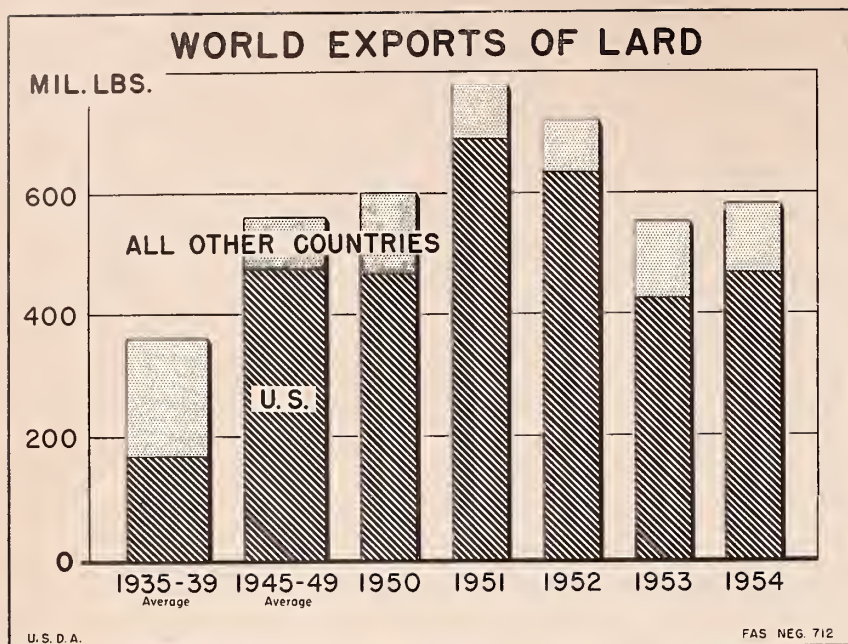
Various other revisions are included in the new trade agreement, but in general they are of less direct interest to American agriculture.

U. S. Cotton Exports Drop As Foreign Output Rises

United States cotton exports have been declining in recent years; at the same time, foreign cotton production has continued to expand. Foreign production of cotton is increasing at a faster rate than consumption. The narrowing margin between the two makes increasingly difficult the foreign marketing of U.S. cotton.

Acreage expansion has been important in increasing foreign production, but more important has been the greater yield per acre. New irrigation systems, mechanization, wider use of insecticides and fertilizer, and improved seed are responsible for the greater yields.





U.S. Lard in The World Market

The United States has long been the world's principal producer and exporter of lard. More than 20 percent of U.S. lard enters international trade; and over the years, lard has been the most important livestock product exported by this country. The volume of U.S. lard exports is increasing. Users the world over know this lard as an outstandingly good buy—a quality product, in ample and dependable supply, selling at favorable prices.

Why, then, has there been such concern in recent months over the size of U.S. lard supplies? The answer may be that the change is not so much in the U.S. lard picture itself as in its frame—the overall competitive situation.

The United States has a stable domestic demand for lard, between 10 and 11 pounds a year per per-

son. This demand disposes of most of the U.S. lard output, leaving an exportable surplus of moderate size. Currently, however, the lard situation is rather abnormal. Because of bumper pig crops, resulting mostly from two successive bumper corn crops, lard production for 1955 is estimated at 2,700 million pounds, or about 350 million more than in 1954.

But world demand for U.S. lard, though relatively stable for a number of years, is changing. For one thing, world production of lard is up. Second, many countries still limit the use of their dollar exchange. And third, the pattern of fats and oils consumption in some countries is changing. This adds up to stronger competition—and to the need for an even stronger U.S. marketing effort.

Competitive Factors

Despite increases in U.S. exports, normal marketing of lard by other countries has not been displaced. In fact, other traditional lard-producing countries have increased their marketings also. These increased marketings, however, have largely been absorbed by population growth, since world per capita consumption of lard has not yet returned to prewar levels.

World production.—World lard output in 1955 is expected to total about 8,450 million pounds—some 400 million more than in 1954. Hog slaughter estimates point to still further increases for 1956. This means that the larger U.S. lard supplies will be competing with the larger production occurring in other countries.

In Western Europe, domestic support prices and other factors are keeping hog numbers and lard output up both in importing countries like Germany, Austria, and Yugoslavia, and in exporting countries like Denmark, the Netherlands, and France. In North America, Canada has had a good supply of feed grain and expects to increase its hog production still further; Mexico, too—normally a large lard importer—looks toward a continued high slaughter level in 1956. And the United States itself will have more lard in 1956 than in 1955, judging from plans for fall farrowing.

Limits on use of dollars.—In many of the best markets for U.S. lard—such as the United Kingdom, most of Western Europe, and much of Latin America—imports are being limited not so much by competition from other suppliers as by government decisions to use dollars for other purposes. In a sense, U.S. lard must compete with other dollar commodities for the avail-

able dollar exchange. Too, countries sometimes control their dollar imports in order to protect their own production. Without greater dollar earnings or less control of dollar imports by these countries, the United States will find it difficult to maintain its sales of lard there, regardless of importers' desires to buy.

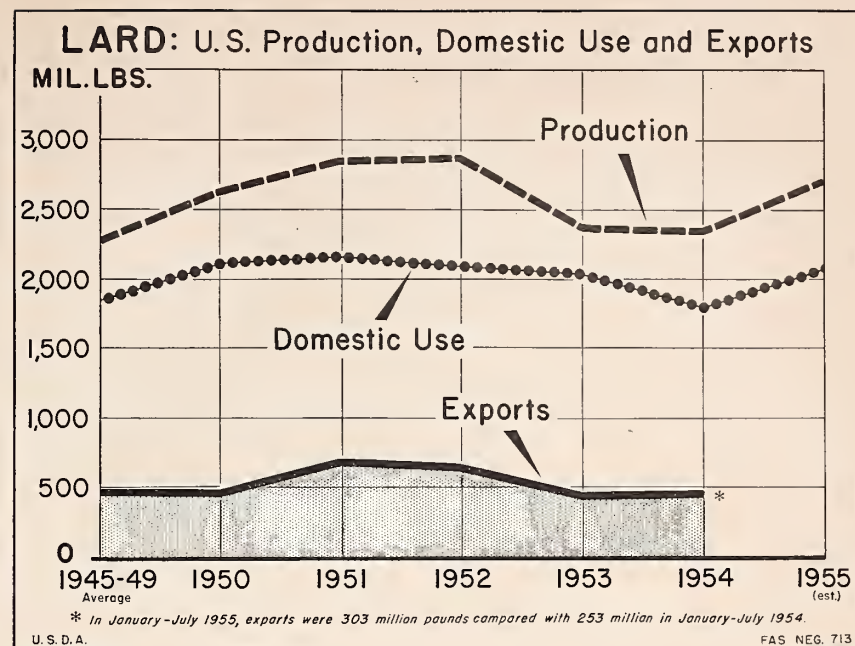
Shifts in consumption pattern.

—In some of the oldest markets, a swing to vegetable fats and oils means added competition for U.S. lard. Many Latin American countries, looking toward greater self-sufficiency in fats, have programs to encourage domestic production of vegetable oils. To protect these programs, the governments limit lard imports by such means as high tariffs and taxes, import quotas, or exchange controls. Vegetable shortening and oils have made considerable gains in these and other markets. Nevertheless, Latin American consumers continue to have a strong interest in lard. Latin America offers an opportunity for vigorous promotion efforts based on the quality, availability, and favorable price of the U.S. product. In some countries (such as Chile) the lard market has been fairly well maintained despite competition from vegetable oils. There, however, Argentina has become the dominant seller through bilateral agreements that discriminate against other suppliers. But in some countries, U.S. lard has made substantial gains.

Aids to Export

In the face of various types of competition the United States has found ways to keep its lard exports moving; but it needs more ways.

Where the main problem is dollar exchange, foreign aid funds have helped. In 1954 and the first



half of 1955, such foreign aid programs maintained and even expanded some important U.S. markets for lard—the United Kingdom, for example.

Governments that feel they must maintain controls on dollar imports can sometimes be persuaded to ease the trade in lard by granting more import licenses or by other means. For instance, during 1955, Western Germany maintained its controls on imports of U.S. edible lard; but it allowed such imports under a new system of “open tenders” against successive authorizations of dollars.

Countries that are conserving dollars have nonetheless managed to buy considerable quantities of U.S. lard through third countries—a fact that causes some confusion in international trade statistics. For instance, in the last 2 years, much of the U.S. lard imported by Western Germany and Yugoslavia came by way of the Netherlands. Of all the goods received in Rotterdam harbor, over 75 percent is

in transit shipments; 99 percent of the lard is reshipped in the original containers. But as direct shipments increase, such transit trade dwindles.

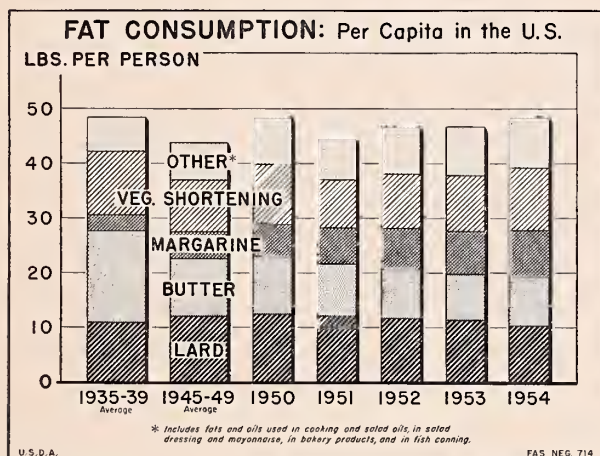
Public Law 480—the Agricultural Trade Development and Assistance Act of 1954—is another method that helps market U. S. lard where dollar exchange is limited. In a number of countries where this law has already aided the purchase of U.S. farm products, foreign currencies are available for market development projects. Such projects are now being formulated for lard.

Marketing Problems

All lard producing and exporting countries have much the same marketing problems. European suppliers, like U.S. suppliers, see their lard markets shrinking. In Europe, people are using less lard because price supports, among other protective devices, have brought the price up, or because vegetable fats and oils are being strongly promoted.



PAKISTAN. Textiles, woven from U.S. cotton in Britain, arrive in Karachi. This is the first shipment under an agreement (Title I, P.L. 480) whereby Pakistan is buying about 100,000 bales of U.S. surplus cotton, paying in rupees and exchanging the cotton with third countries for cotton yarns and cloth. (Left, U.S. Agricultural Attaché D. L. MacDonald; right, Pakistan's Textile Commissioner K. S. Islam.)



But in the long run, Mrs. Housewife the world over decides for herself whether or not to use lard. Her decision depends, however, on factors that the lard trade can control: Quality—how the lard looks, tastes, and smells, and how it keeps; economy—how its price compares with those of other available fats; and presentation—how conveniently, attractively, and durably it is packaged, and how suitably it is displayed and advertised. If she finds out that lard fits satisfactorily into her buying and cooking habits, she will be a lard consumer.

The Foreign Agricultural Service has sent a marketing specialist to Europe to study the competi-

U.S. lard exports, by principal market
[In millions of pounds]

Market	1951	1952	1953	1954	Jan.- July 1955
Cuba	145.6	173.8	142.3	158.3	97.2
Mexico	31.1	37.1	40.0	30.7	13.3
United Kingdom	231.6	102.8	24.2	97.1	80.7
Western Germany	31.5	95.8	34.3	49.6	38.8
Netherlands	48.3	49.2	34.6	14.3	16.2
Austria	21.6	35.7	20.7	18.5	10.1
Yugoslavia	85.2	38.8	20.8	26.8	9.5
All others	83.6	100.5	105.7	70.1	37.6
Total	688.5	633.7	422.6	465.4	303.4

tive position of lard and other meat products. Another specialist is going to Latin America, for on-the-spot studies of marketing problems and possibilities for lard.

When the results of the European and Latin American marketing studies are in, the U.S. lard trade will be in a position to present its products to the housewives of each country in the way best adapted to their particular tastes and needs. Meanwhile, the U.S. Government continues its efforts to win more freedom of movement for U.S. lard in international trade, confident that if the way can be smoothed, the product will gain even wider acceptance in the future.

Netherlands Market

(Continued from page 237)

Board for Livestock and Meat exercises a stabilizing effect on the Dutch meat market.

Production of eggs is highly organized, mainly to insure a high-quality product. The Marketing Board for Poultry and Eggs is in charge of regulations concerning hatching eggs. Poultry farms are licensed. The price of eggs is free of control, but egg imports are subject to licensing.

Most agricultural products not produced in the Netherlands and not closely competitive with Dutch products can be freely imported. **Cotton** and **tobacco** are important U. S. farm products which belong to this category, and are free of restrictions.

Under the Benelux Union, agricultural products as well as all other commodities should move freely throughout the three member countries, but owing primarily to the inability of certain sectors of Belgian agriculture to compete with the Netherlands, minimum prices are for the time being applied to specified Dutch agricultural products when exported to Belgium. Belgium, however, has embarked upon a program designed to result in unification of Benelux agricultural policies by 1962. It appears to be the intention to develop Belgian farm-policy institutions which resemble those of the Dutch, not to abandon such institution.

The Netherlands is a natural market for many of our farm products. Grains, cotton, tobacco, fats and oils, and citrus fruit supplement Dutch domestic production for domestic needs. Furthermore, with the Netherlands' great facilities for international trade, its well-established processing industries, and its convenient location for transit trade to much of Europe, the prospect appears good for continued substantial exports of our farm products not only to the Netherlands but also by way of the Netherlands to other countries. Even so the very high level of trade in 1954 may not be maintained since the circumstances which made the extraordinary expansion in fats and oils trade possible may not continue. Certainly, if dollar liberalization in other European countries is extended, the basis of some transit trade will disappear. There is nevertheless a lasting basis for a high level of trade—provided our products remain competitive—in the Dutch need for many of our products, in the established Dutch pattern of trade and processing of agricultural raw materials, and in the expansive character of the Dutch economy.

Chaos Ahead, Says IFAP, Unless Governments Cooperate

(Continued from page 245)

At the same time, prices to farmers have been falling, despite a generally healthy economic picture for the world.

Surpluses, a major world problem, have accumulated because farmers in surplus areas have continued to produce at the high level induced by war and postwar necessities. At the same time; farmers in traditionally importing countries have pushed their production far above prewar levels.

The main surplus problems concern wheat, sugar, cotton, rice, and dairy products. IFAP recommends that farmers in the world cut back on their production of such crops as cotton, grain, and potatoes, and make a prudent shift to animal protein foods.

The very existence of surpluses on the world market is causing a depressing influence on prices. Up to the present there is little evidence of disorderly marketing of existing surpluses. But it should not be forgotten that U. S. price supports have led to a piling-up of government stocks in the United States and at the same time have enabled producers in other countries to continue, and in some instances even to expand, production.

There does not seem to be much chance at the present time of finding, in the underdeveloped areas of the world, outlets for the surplus production ability of farmers. In these areas, individuals do not have the money to buy the food and fiber; and, with what money they have, governments generally prefer to buy machinery, implements, and other capital goods. There is a possibility of finding outlets in the Soviet sphere for the surplus production, for the Soviet area needs to import fats and oils, meats, and cereals. But a warning should be sounded; political uncertainties and scarcity of Soviet supplies for exchange may make it dangerous for farmers to count heavily on future Soviet outlets for surplus production.

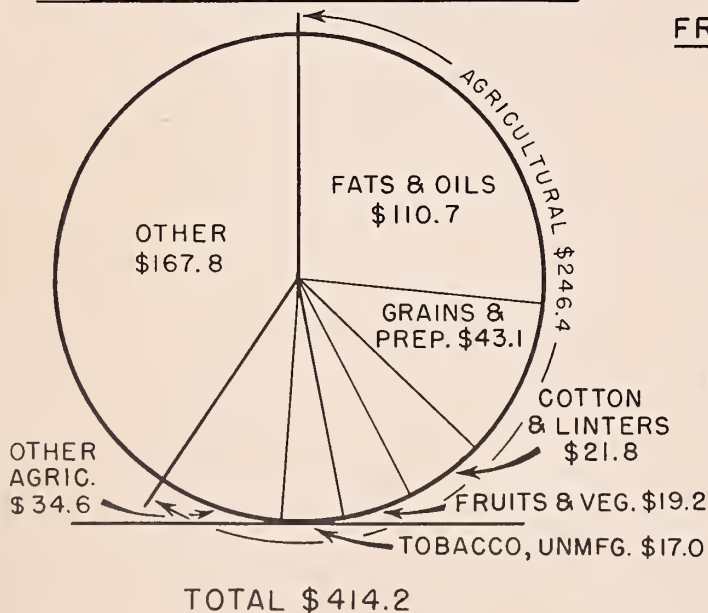
The industrialized countries of Western Europe and Japan must continue to be relied upon for any significant expansion of food and fiber consumption. The United Kingdom remains the world's biggest importer of farm products and will continue in that position for some time. The greatest potential for expansion seems to exist in Japan.

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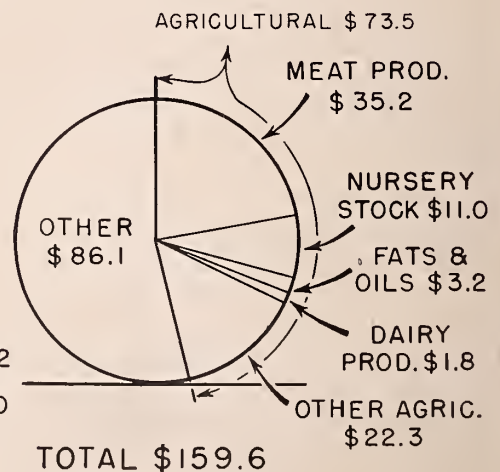
UNITED STATES - NETHERLANDS TRADE, 1954

(In Millions of Dollars)

U.S. EXPORTS TO NETHERLANDS*



U.S. IMPORTS FROM NETHERLANDS



*INCLUDES TRANSIT TRADE